

SENATE BILL No. 64

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3.5-10; IC 36-7.

Synopsis: Property tax installments and penalty waivers. Authorizes, upon petition of the county executive with respect to property taxes on homesteads, the department of local government finance to establish a schedule of installment payments or to waive late payment penalties. Legalizes and validates any action taken by the department before January 1, 2004, to allow the payment of property taxes in installments or to waive late payment penalties. Makes conforming amendments.

Effective: Upon passage.

Simpson

November 21, 2003, read first time and referred to Committee on Finance.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 64

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21-5, AS AMENDED BY P.L.1-2003,
2 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) Each year the taxpayers of each county
4 shall receive a credit for property tax replacement in the amount of
5 each taxpayer's property tax replacement credit amount for taxes
6 which:

7 **(1)** under IC 6-1.1-22-9 are due and payable in May and
8 November of that year; **or**

9 **(2) under IC 6-1.1-22-9.5 are due in installments established**
10 **by the department of local government finance for that year.**

11 The credit shall be applied to each installment of taxes. The dollar
12 amount of the credit for each taxpayer shall be determined by the
13 county auditor, based on data furnished by the department of local
14 government finance.

15 (b) The tax liability of a taxpayer for the purpose of computing the
16 credit for a particular year shall be based upon the taxpayer's tax
17 liability as is evidenced by the tax duplicate for the taxes payable in



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that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

- (1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by
- (2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 2. IC 6-1.1-22-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in IC 6-1.1-7-7, **section 9.5 of this chapter**, and subsection (b), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) A county council may adopt an ordinance to require a person to pay ~~his~~ **the person's** property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for

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that year is due in one (1) installment on May 10 of that year.

(c) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(d) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

SECTION 3. IC 6-1.1-22-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year:**

(1) with respect to a homestead (as defined in IC 6-1.1-20.9-1); and

(2) that are not payable in one (1) installment under section 9(b) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, the county executive (as defined in IC 36-1-2-5) may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

(B) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or

(C) the last installment payment that is later than June 30 of the year immediately following the year in which the tax statement is mailed or transmitted; and

(2) shall:

(A) prescribe the form of the petition under subsection (b);

(B) determine the information required on the form; and

(C) notify the county executive and the county treasurer of

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the department's determination on the petition not later than ten (10) days after receipt of the petition.

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter:

(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the property taxes are paid; and

(2) may be:

(A) used to repay temporary loans made by a political subdivision for; and

(B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from;

the year in which the tax statement is mailed or transmitted under section 8 of this chapter.

SECTION 4. IC 6-1.1-22-9.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.7. Any action taken by the department of local government finance before January 1, 2004, to allow the payment of property taxes in installments other than the installments prescribed in section 9(a) of this chapter is legalized and validated.**

SECTION 5. IC 6-1.1-37-9, AS AMENDED BY P.L.198-2001, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This section applies when:**

(1) an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were originally due;

(2) the assessment upon which a taxpayer has been paying taxes under IC 6-1.1-15-10(a)(1) or (a)(2) while a petition for review or a judicial proceeding has been pending is less than the assessment that results from the final determination of the petition for review or judicial proceeding; or

(3) the collection of certain ad valorem property taxes has been stayed under IC 4-21.5-5-9, and under the final determination of the petition for judicial review the taxpayer is liable for at least part of those taxes.

(b) Except as provided in subsections (c) and (g), a taxpayer shall pay interest on the taxes the taxpayer is required to pay as a result of an action or a determination described in subsection (a) at the rate of ten percent (10%) per year from the original due date or dates for those

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taxes to:

(1) the date of payment; or

(2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first.

(c) Except as provided in subsection (g), a taxpayer shall pay interest on the taxes the taxpayer is ultimately required to pay in excess of the amount that the taxpayer is required to pay under IC 6-1.1-15-10(a)(1) while a petition for review or a judicial proceeding has been pending at the overpayment rate established under Section 6621(c)(1) of the Internal Revenue Code in effect on the original due date or dates for those taxes from the original due date or dates for those taxes to:

(1) the date of payment; or

(2) the date on which penalties for the late payment of a tax installment may be charged under subsection (e) or (f);

whichever occurs first.

(d) With respect to an action or determination described in subsection (a), the taxpayer shall pay the taxes resulting from that action or determination and the interest prescribed under subsection (b) or (c) on or before:

(1) the next May 10; or

(2) the next November 10;

whichever occurs first.

(e) A taxpayer shall, **to the extent that the penalty is not waived under section 10.5 of this chapter**, begin paying the penalty prescribed in section 10 of this chapter on the day after the date for payment prescribed in subsection (d) if:

(1) the taxpayer has not paid the amount of taxes resulting from the action or determination; and

(2) the taxpayer either:

(A) received notice of the taxes the taxpayer is required to pay as a result of the action or determination at least thirty (30) days before the date for payment; or

(B) voluntarily signed and filed an assessment return for the taxes.

(f) If subsection (e) does not apply, a taxpayer who has not paid the amount of taxes resulting from the action or determination shall, **to the extent that the penalty is not waived under section 10.5 of this chapter**, begin paying the penalty prescribed in section 10 of this chapter on:

(1) the next May 10 which follows the date for payment

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prescribed in subsection (d); or
 (2) the next November 10 which follows the date for payment
 prescribed in subsection (d);
 whichever occurs first.

(g) A taxpayer is not subject to the payment of interest on real
 property assessments under subsection (b) or (c) if:

(1) an assessment is made or increased after the date or dates on
 which the taxes for the year for which the assessment is made
 were due;

(2) the assessment or the assessment increase is made as the result
 of error or neglect by the assessor or by any other official
 involved with the assessment of property or the collection of
 property taxes; and

(3) the assessment:

(A) would have been made on the normal assessment date if
 the error or neglect had not occurred; or

(B) increase would have been included in the assessment on
 the normal annual assessment date if the error or neglect had
 not occurred.

SECTION 6. IC 6-1.1-37-10, AS AMENDED BY P.L.90-2002,
 SECTION 262, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) **Except as provided in
 section 10.5 of this chapter**, if an installment of property taxes is not
 completely paid on or before the due date, a penalty equal to ten
 percent (10%) of the amount of delinquent taxes shall be added to the
 unpaid portion in the year of the initial delinquency.

**(b) With respect to property taxes due in two (2) equal
 installments under IC 6-1.1-22-9(a)**, on the day immediately
 following the due dates in May and November of each year following
 the year of the initial delinquency, an additional penalty equal to ten
 percent (10%) of any taxes remaining unpaid shall be added. **With
 respect to property taxes due in installments under IC 6-1.1-22-9.5,
 an additional penalty equal to ten percent (10%) of any taxes
 remaining unpaid shall be added on the day immediately following
 each date that succeeds the last installment due date by:**

(1) six (6) months; or

(2) a multiple of six (6) months.

~~(c) These~~ **The penalties under subsection (b)** are imposed only on
 the principal amount of the delinquent taxes. ~~However,~~

(d) If the department of local government finance determines that
 an emergency has occurred which precludes the mailing of the tax
 statement in any county at the time set forth in IC 6-1.1-22-8, the

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department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

~~(b)~~ (e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

~~(c)~~ (f) A payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date to the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in the United States mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) certified or postmarked by the United States Postal Service as mailed on or before the due date; or

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

SECTION 7. IC 6-1.1-37-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. (a) This section applies only to property taxes first due and payable in a year with respect to a homestead (as defined in IC 6-1.1-20.9-1).**

(b) The county executive (as defined in IC 36-1-2-5) may petition the department of local government finance to waive all or part of the penalty imposed under section 10(a) of this chapter.

(c) The department of local government finance shall:

(1) prescribe the form of the petition under subsection (b);

(2) determine the information required on the form; and

(3) notify the county executive and the county auditor of the department's determination on the petition not later than thirty (30) days after receipt of the petition.

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SECTION 8. IC 6-1.1-37-10.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.7. Any action taken by the department of local government finance before January 1, 2004, to waive all or part of a penalty under section 10 of this chapter is legalized and validated.**

SECTION 9. IC 6-1.1-39-6, AS AMENDED BY P.L.192-2002(ss), SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by IC 6-1.1-21-5. However, subject to subsection (c) **and except as provided in subsection (f)**, each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (f)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

- (b) If the additional credit under subsection (a) is not reduced under

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subsection (c) or (d), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due and payable in each year following the year in which the resolution is rescinded.

(f) If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments.

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The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 10. IC 8-22-3.5-10, AS AMENDED BY P.L.192-2002(ss), SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter **and except as provided in subsection (d)**, if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. **Except as provided in subsection (d)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is

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entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 11. IC 36-7-14-39.5, AS AMENDED BY P.L.192-2002(ss), SECTION 178, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) **and except as provided in subsection (h)**, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (h)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 39 of this

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1 chapter had the additional credit described in this section not
2 been given.

3 The additional credit reduces the amount of proceeds allocated to the
4 redevelopment district and paid into an allocation fund under section
5 39(b)(2) of this chapter.

6 (d) If the additional credit under subsection (c) is not reduced under
7 subsection (e) or (f), the credit for property tax replacement under
8 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
9 computed on an aggregate basis for all taxpayers in a taxing district
10 that contains all or part of an allocation area. The credit for property tax
11 replacement under IC 6-1.1-21-5 and the additional credit under
12 subsection (c) shall be combined on the tax statements sent to each
13 taxpayer.

14 (e) Upon the recommendation of the redevelopment commission,
15 the municipal legislative body (in the case of a redevelopment
16 commission established by a municipality) or the county executive (in
17 the case of a redevelopment commission established by a county) may,
18 by resolution, provide that the additional credit described in subsection
19 (c):

- 20 (1) does not apply in a specified allocation area; or
- 21 (2) is to be reduced by a uniform percentage for all taxpayers in
22 a specified allocation area.

23 (f) Whenever the municipal legislative body or county executive
24 determines that granting the full additional credit under subsection (c)
25 would adversely affect the interests of the holders of bonds or other
26 contractual obligations that are payable from allocated tax proceeds in
27 that allocation area in a way that would create a reasonable expectation
28 that those bonds or other contractual obligations would not be paid
29 when due, the municipal legislative body or county executive must
30 adopt a resolution under subsection (e) to deny the additional credit or
31 reduce it to a level that creates a reasonable expectation that the bonds
32 or other obligations will be paid when due. A resolution adopted under
33 subsection (e) denies or reduces the additional credit for property taxes
34 first due and payable in the allocation area in any year following the
35 year in which the resolution is adopted.

36 (g) A resolution adopted under subsection (e) remains in effect until
37 it is rescinded by the body that originally adopted it. However, a
38 resolution may not be rescinded if the rescission would adversely affect
39 the interests of the holders of bonds or other obligations that are
40 payable from allocated tax proceeds in that allocation area in a way that
41 would create a reasonable expectation that the principal of or interest
42 on the bonds or other obligations would not be paid when due. If a

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1 resolution is rescinded and no other resolution is adopted, the
 2 additional credit described in subsection (c) applies to property taxes
 3 first due and payable in the allocation area in each year following the
 4 year in which the resolution is rescinded.

5 **(h) If property tax installments are due in installments**
 6 **established by the department of local government finance under**
 7 **IC 6-1.1-22-9.5, each taxpayer subject to those installments in an**
 8 **allocation area is entitled to an additional credit under subsection**
 9 **(c) for the taxes (as defined in IC 6-1.1-21-2) due in installments.**
 10 **The credit shall be applied in the same proportion to each**
 11 **installment of taxes (as defined in IC 6-1.1-21-2).**

12 SECTION 12. IC 36-7-15.1-26.5, AS AMENDED BY
 13 P.L.192-2002(ss), SECTION 181, IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.5. (a) As used
 15 in this section, "adverse determination" means a determination by the
 16 fiscal officer of the consolidated city that the granting of credits
 17 described in subsection (g) or (h) would impair any contract with or
 18 otherwise adversely affect the owners of outstanding bonds payable
 19 from the allocation area special fund.

20 (b) As used in this section, "allocation area" has the meaning set
 21 forth in section 26 of this chapter.

22 (c) As used in this section, "special fund" refers to the special fund
 23 into which property taxes are paid under section 26 of this chapter.

24 (d) As used in this section, "taxing district" has the meaning set
 25 forth in IC 6-1.1-1-20.

26 (e) Except as provided in subsections (g), (h), ~~and (i), and (j)~~, each
 27 taxpayer in an allocation area is entitled to an additional credit for taxes
 28 (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and
 29 payable in May and November of that year. **Except as provided in**
 30 **subsection (j)**, one-half (1/2) of the credit shall be applied to each
 31 installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the
 32 amount determined under the following STEPS for each taxpayer in a
 33 taxing district that contains all or part of the allocation area:

34 STEP ONE: Determine that part of the sum of the amounts under
 35 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 36 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 37 the taxing district.

38 STEP TWO: Divide:

39 (A) that part of each county's t eligible property tax
 40 replacement amount (as defined in IC 6-1.1-21-2) for that year
 41 as determined under IC 6-1.1-21-4 that is attributable to the
 42 taxing district; by

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- 1 (B) the STEP ONE sum.
 2 STEP THREE: Multiply:
 3 (A) the STEP TWO quotient; by
 4 (B) the total amount of the taxpayer's taxes (as defined in
 5 IC 6-1.1-21-2) levied in the taxing district that would have
 6 been allocated to an allocation fund under section 26 of this
 7 chapter had the additional credit described in this section not
 8 been given.

9 The additional credit reduces the amount of proceeds allocated to the
 10 redevelopment district and paid into the special fund.

11 (f) The credit for property tax replacement under IC 6-1.1-21-5 and
 12 the additional credits under subsections (e), (g), (h), and (i), unless the
 13 credits under subsections (g) and (h) are partial credits, shall be
 14 computed on an aggregate basis for all taxpayers in a taxing district
 15 that contains all or part of an allocation area. Except as provided in
 16 subsections (h) and (i), the credit for property tax replacement under
 17 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),
 18 and (i) shall be combined on the tax statements sent to each taxpayer.

19 (g) This subsection applies to an allocation area if allocated taxes
 20 from that area were pledged to bonds, leases, or other obligations of the
 21 commission before May 8, 1989. A credit calculated using the method
 22 provided in subsection (e) may be granted under this subsection. The
 23 credit provided under this subsection is first applicable for the
 24 allocation area for property taxes first due and payable in 1992. The
 25 following apply to the determination of the credit provided under this
 26 subsection:

27 (1) Before June 15 of each year, the fiscal officer of the
 28 consolidated city shall determine and certify the following:

29 (A) All amounts due in the following year to the owners of
 30 outstanding bonds payable from the allocation area special
 31 fund.

32 (B) All amounts that are:

- 33 (i) required under contracts with bond holders; and
 34 (ii) payable from the allocation area special fund to fund
 35 accounts and reserves.

36 (C) An estimate of the amount of personal property taxes
 37 available to be paid into the allocation area special fund under
 38 section 26.9(c) of this chapter.

39 (D) An estimate of the aggregate amount of credits to be
 40 granted if full credits are granted.

41 (2) Before June 15 of each year, the fiscal officer of the
 42 consolidated city shall determine if the granting of the full amount

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of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court

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within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g),

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would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are

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1 billed to a taxpayer other than the taxpayer to which 1990 taxes
2 payable in 1991 were billed, the county treasurer shall do the
3 following:

4 (A) Apply only the credits under subsections (g) and (i) to the
5 tax bill for 1991 taxes payable in 1992.

6 (B) Give notice by June 30, 1991, by publication two (2) times
7 in three (3) newspapers in the county with the largest
8 circulation of the availability of a refund of the credit under
9 this subsection.

10 A taxpayer entitled to a credit must file an application for refund
11 of the credit with the county auditor not later than November 30,
12 1991.

13 (14) A taxpayer who files an application by November 30, 1991,
14 is entitled to payment from the county treasurer in an amount that
15 is in the same proportion to the credit provided under this
16 subsection with respect to a parcel as the amount of 1990 taxes
17 payable in 1991 paid by the taxpayer with respect to the parcel
18 bears to the 1990 taxes payable in 1991 with respect to the parcel.
19 This amount shall be paid to the taxpayer by May 10, 1992, and
20 shall be charged to the taxing units in which the allocation area is
21 located in the proportion of the taxing units' respective tax rates
22 for 1990 taxes payable in 1991.

23 (i) This subsection applies to an allocation area if allocated taxes
24 from that area were pledged to bonds, leases, or other obligations of the
25 commission before May 8, 1989. The following apply to the credit
26 granted under this subsection:

27 (1) A prior year credit is applicable to property taxes first due and
28 payable in each year from 1987 through 1990 (the "prior years").

29 (2) The credit for each prior year is equal to:

30 (A) the amount of the quotient determined under STEP TWO
31 of subsection (e) for the prior year; multiplied by

32 (B) the total amount of the property taxes paid by the taxpayer
33 that were allocated in the prior year to the allocation area
34 special fund under section 26 of this chapter.

35 (3) Before January 31, 1992, the county auditor shall determine
36 the amount of credits under subdivision (2) with respect to each
37 parcel in the allocation area for all prior years with respect to
38 which:

39 (A) taxes were billed to the same taxpayer for taxes payable in
40 each year from 1987 through 1991; or

41 (B) an application was filed by November 30, 1991, under
42 subdivision (8) for refund of the credits for prior years.

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1 A report of the determination by parcel shall be sent by the county
2 auditor to the department of local government finance and the
3 budget agency within five (5) days of such determination.

4 (4) Before January 31, 1992, the county auditor shall determine
5 the quotient of the amounts determined under subdivision (3) with
6 respect to each parcel divided by six (6).

7 (5) Before January 31, 1992, the county auditor shall determine
8 the quotient of the aggregate amounts determined under
9 subdivision (3) with respect to all parcels divided by twelve (12).

10 (6) Except as provided in subdivisions (7) and (9), in each year in
11 which credits from prior years remain unpaid, credits for the prior
12 years in the amounts determined under subdivision (4) shall be
13 applied as provided in this subsection.

14 (7) If taxes payable in the current year with respect to a parcel are
15 billed to the same taxpayer to which taxes payable in all of the
16 prior years were billed and if the amount determined under
17 subdivision (3) with respect to the parcel is at least five hundred
18 dollars (\$500), the county treasurer shall apply the credits
19 provided for the current year under subsections (g) and (h) and
20 the credit in the amount determined under subdivision (4) to the
21 tax bill for taxes payable in the current year. However, if the
22 amount determined under subdivision (3) with respect to the
23 parcel is less than five hundred dollars (\$500) (referred to in this
24 subdivision as "small claims"), the county may, at the election of
25 the county auditor, either apply a credit in the amount determined
26 under subdivision (3) or (4) to the tax bill for taxes payable in the
27 current year or pay either amount to the taxpayer. If title to a
28 parcel transfers in a year in which a credit under this subsection
29 is applied to the tax bill, the transferor may file an application
30 with the county auditor within thirty (30) days of the date of the
31 transfer of title to the parcel for payments to the transferor at the
32 same times and in the same amounts that would have been
33 allowed as credits to the transferor under this subsection if there
34 had not been a transfer. If a determination is made by the county
35 auditor to refund or credit small claims in the amounts determined
36 under subdivision (3) in 1992, the county auditor may make
37 appropriate adjustments to the credits applied with respect to
38 other parcels so that the total refunds and credits in any year will
39 not exceed the payments made from the state property tax
40 replacement fund to the prior year credit fund referred to in
41 subdivision (11) in that year.

42 (8) If taxes payable in the current year with respect to a parcel are

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1 billed to a taxpayer that is not a taxpayer to which taxes payable
 2 in all of the prior years were billed, the county treasurer shall do
 3 the following:

4 (A) Apply only the credits under subsections (g) and (h) to the
 5 tax bill for taxes payable in the current year.

6 (B) Give notice by June 30, 1991, by publication two (2) times
 7 in three (3) newspapers in the county with the largest
 8 circulation of the availability of a refund of the credit.

9 A taxpayer entitled to the credit must file an application for
 10 refund of the credit with the county auditor not later than
 11 November 30, 1991. A refund shall be paid to an eligible
 12 applicant by May 10, 1992.

13 (9) A taxpayer who filed an application by November 30, 1991,
 14 is entitled to payment from the county treasurer under subdivision
 15 (8) in an amount that is in the same proportion to the credit
 16 determined under subdivision (3) with respect to a parcel as the
 17 amount of taxes payable in the prior years paid by the taxpayer
 18 with respect to the parcel bears to the taxes payable in the prior
 19 years with respect to the parcel.

20 (10) In each year on May 1 and November 1, the state shall pay
 21 to the county treasurer from the state property tax replacement
 22 fund the amount determined under subdivision (5).

23 (11) All payments received from the state under subdivision (10)
 24 shall be deposited into a special fund to be known as the prior
 25 year credit fund. The prior year credit fund shall be used to make:

26 (A) payments under subdivisions (7) and (9); and

27 (B) deposits into the special fund for the application of prior
 28 year credits.

29 (12) All amounts paid into the special fund for the allocation area
 30 under subdivision (11) are subject to any pledge of allocated
 31 property tax proceeds made by the redevelopment district under
 32 section 26(d) of this chapter, including but not limited to any
 33 pledge made to owners of outstanding bonds of the
 34 redevelopment district of allocated taxes from that area.

35 (13) By January 15, 1993, and by January 15 of each year
 36 thereafter, the county auditor shall send to the department of local
 37 government finance and the budget agency a report of the
 38 receipts, earnings, and disbursements of the prior year credit fund
 39 for the prior calendar year. If in the final year that credits under
 40 subsection (i) are allowed any balance remains in the prior year
 41 credit fund after the payment of all credits payable under this
 42 subsection, such balance shall be repaid to the treasurer of state

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for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 13. IC 36-7-15.1-35, AS AMENDED BY P.L.192-2002(ss), SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.
- (6) To provide financial assistance to neighborhood development

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corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) **Except as provided in subsection (g),** the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable ~~on~~ in May + and November + of a year. **Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2).** The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is

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1 a debt service reserve for the bonds that at least equals the amount
2 of the credit to be granted.

3 (3) If bonds of a lessor under section 17.1 of this chapter or under
4 IC 36-1-10 are outstanding and if lease rentals are payable from
5 the fund, that there is a debt service reserve for those bonds that
6 at least equals the amount of the credit to be granted.

7 If the tax increment is insufficient to grant the credit in full, the
8 commission may grant the credit in part, prorated among all taxpayers.

9 (e) Notwithstanding section 26(b) of this chapter, the special fund
10 established under section 26(b) of this chapter for the allocation area
11 for a program adopted under section 32 of this chapter may only be
12 used to do one (1) or more of the following:

13 (1) Accomplish one (1) or more of the actions set forth in section
14 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

15 (2) Reimburse the consolidated city for expenditures made by the
16 city in order to accomplish the housing program in that allocation
17 area.

18 The special fund may not be used for operating expenses of the
19 commission.

20 (f) Notwithstanding section 26(b) of this chapter, the commission
21 shall, relative to the special fund established under section 26(b) of this
22 chapter for an allocation area for a program adopted under section 32
23 of this chapter, do the following before July 15 of each year:

24 (1) Determine the amount, if any, by which property taxes payable
25 to the allocation fund in the following year will exceed the
26 amount of property taxes necessary:

27 (A) to make, when due, principal and interest payments on
28 bonds described in section 26(b)(2) of this chapter;

29 (B) to pay the amount necessary for other purposes described
30 in section 26(b)(2) of this chapter; and

31 (C) to reimburse the consolidated city for anticipated
32 expenditures described in subsection (e)(2).

33 (2) Notify the county auditor of the amount, if any, of excess
34 property taxes that the commission has determined may be paid
35 to the respective taxing units in the manner prescribed in section
36 26(b)(1) of this chapter.

37 **(g) If property tax installments are due in installments**
38 **established by the department of local government finance under**
39 **IC 6-1.1-22-9.5, each taxpayer subject to those installments in an**
40 **allocation area is entitled to an additional credit under subsection**
41 **(d) for the taxes (as defined in IC 6-1.1-21-2) due in installments.**
42 **The credit shall be applied in the same proportion to each**

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1 **installment of taxes (as defined in IC 6-1.1-21-2).**

2 SECTION 14. IC 36-7-15.1-56, AS AMENDED BY
3 P.L.192-2002(ss), SECTION 184, IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 56. (a) As used in
5 this section, "allocation area" has the meaning set forth in section 53 of
6 this chapter.

7 (b) As used in this section, "taxing district" has the meaning set
8 forth in IC 6-1.1-1-20.

9 (c) Subject to subsection (e) **and except as provided in subsection**
10 **(h)**, each taxpayer in an allocation area is entitled to an additional
11 credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9
12 are due and payable in May and November of that year. **Except as**
13 **provided in subsection (h)**, one-half (1/2) of the credit shall be applied
14 to each installment of taxes (as defined in IC 6-1.1-21-2). This credit
15 equals the amount determined under the following STEPS for each
16 taxpayer in a taxing district that contains all or part of the allocation
17 area:

18 STEP ONE: Determine that part of the sum of the amounts under
19 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
20 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
21 the taxing district.

22 STEP TWO: Divide:

23 (A) that part of each county's eligible property tax replacement
24 amount (as defined in IC 6-1.1-21-2) for that year as
25 determined under IC 6-1.1-21-4 that is attributable to the
26 taxing district; by

27 (B) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; times

30 (B) the total amount of the taxpayer's taxes (as defined in
31 IC 6-1.1-21-2) levied in the taxing district that would have
32 been allocated to an allocation fund under section 53 of this
33 chapter had the additional credit described in this section not
34 been given.

35 The additional credit reduces the amount of proceeds allocated to the
36 development district and paid into an allocation fund under section
37 53(b)(2) of this chapter.

38 (d) If the additional credit under subsection (c) is not reduced under
39 subsection (e) or (f), the credit for property tax replacement under
40 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
41 computed on an aggregate basis for all taxpayers in a taxing district
42 that contains all or part of an allocation area. The credit for property tax

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1 replacement under IC 6-1.1-21-5 and the additional credit under
 2 subsection (c) shall be combined on the tax statements sent to each
 3 taxpayer.

4 (e) Upon the recommendation of the commission, the excluded city
 5 legislative body may, by resolution, provide that the additional credit
 6 described in subsection (c):

7 (1) does not apply in a specified allocation area; or

8 (2) is to be reduced by a uniform percentage for all taxpayers in
 9 a specified allocation area.

10 (f) Whenever the excluded city legislative body determines that
 11 granting the full additional credit under subsection (c) would adversely
 12 affect the interests of the holders of bonds or other contractual
 13 obligations that are payable from allocated tax proceeds in that
 14 allocation area in a way that would create a reasonable expectation that
 15 those bonds or other contractual obligations would not be paid when
 16 due, the excluded city legislative body must adopt a resolution under
 17 subsection (e) to deny the additional credit or reduce it to a level that
 18 creates a reasonable expectation that the bonds or other obligations will
 19 be paid when due. A resolution adopted under subsection (e) denies or
 20 reduces the additional credit for property taxes first due and payable in
 21 the allocation area in any year following the year in which the
 22 resolution is adopted.

23 (g) A resolution adopted under subsection (e) remains in effect until
 24 it is rescinded by the body that originally adopted it. However, a
 25 resolution may not be rescinded if the rescission would adversely affect
 26 the interests of the holders of bonds or other obligations that are
 27 payable from allocated tax proceeds in that allocation area in a way that
 28 would create a reasonable expectation that the principal of or interest
 29 on the bonds or other obligations would not be paid when due. If a
 30 resolution is rescinded and no other resolution is adopted, the
 31 additional credit described in subsection (c) applies to property taxes
 32 first due and payable in the allocation area in each year following the
 33 year in which the resolution is rescinded.

34 **(h) If property tax installments are due in installments**
 35 **established by the department of local government finance under**
 36 **IC 6-1.1-22-9.5, each taxpayer subject to those installments in an**
 37 **allocation area is entitled to an additional credit under subsection**
 38 **(c) for the taxes (as defined in IC 6-1.1-21-2) due in installments.**
 39 **The credit shall be applied in the same proportion to each**
 40 **installment of taxes (as defined in IC 6-1.1-21-2).**

41 SECTION 15. IC 36-7-30-27, AS AMENDED BY
 42 P.L.192-2002(ss), SECTION 186, IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) As used in
 2 this section, "allocation area" has the meaning set forth in section 25 of
 3 this chapter.

4 (b) As used in this section, "taxing district" has the meaning set
 5 forth in IC 6-1.1-1-20.

6 (c) Subject to subsection (e) **and except as provided in subsection**
 7 **(h)**, each taxpayer in an allocation area is entitled to an additional
 8 credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9
 9 are due and payable in May and November of that year. **Except as**
 10 **provided in subsection (h)**, one-half (1/2) of the credit shall be applied
 11 to each installment of taxes (as defined in IC 6-1.1-21-2). This credit
 12 equals the amount determined under the following STEPS for each
 13 taxpayer in a taxing district that contains all or part of the allocation
 14 area:

15 STEP ONE: Determine that part of the sum of the amounts under
 16 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 17 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 18 the taxing district.

19 STEP TWO: Divide:

20 (A) that part of each county's eligible property tax replacement
 21 amount (as defined in IC 6-1.1-21-2) for that year as
 22 determined under IC 6-1.1-21-4 that is attributable to the
 23 taxing district; by

24 (B) the STEP ONE sum.

25 STEP THREE: Multiply:

26 (A) the STEP TWO quotient; times

27 (B) the total amount of the taxpayer's taxes (as defined in
 28 IC 6-1.1-21-2) levied in the taxing district that would have
 29 been allocated to an allocation fund under section 25 of this
 30 chapter had the additional credit described in this section not
 31 been given.

32 The additional credit reduces the amount of proceeds allocated to the
 33 military base reuse district and paid into an allocation fund under
 34 section 25(b)(2) of this chapter.

35 (d) If the additional credit under subsection (c) is not reduced under
 36 subsection (e) or (f), the credit for property tax replacement under
 37 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
 38 computed on an aggregate basis for all taxpayers in a taxing district
 39 that contains all or part of an allocation area. The credit for property tax
 40 replacement under IC 6-1.1-21-5 and the additional credit under
 41 subsection (c) shall be combined on the tax statements sent to each
 42 taxpayer.

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(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 16. IC 36-7-32-18, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) **Except as provided in**

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subsection (e), a redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. **Except as provided in subsection (e)**, one-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement

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1 under IC 6-1.1-21-5.

2 (e) If property tax installments are due in installments
3 established by the department of local government finance under
4 IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
5 allocation area is entitled to an additional credit under subsection
6 (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments.
7 The credit shall be applied in the same proportion to each
8 installment of taxes (as defined in IC 6-1.1-21-2).

9 SECTION 17. An emergency is declared for this act.

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